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1985

AMS OFFICE turnover SURVEY

FOR THE UNITED STATES AND CANADA

276,200 employees · 43,420 terminations
1,760 companies · 74 cities

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AMS provides its members with a monthly magazine, monthly newsletters, salary and business policy surveys, seminars, a certification program, and other publications and services directed toward management development. The biennial Turnover Survey that you are holding is provided to members free of charge.

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AMS Survey

TURNOVER REFLECTS IMPROVED ECONOMY

More voluntary terminations and fewer staff reductions mirror the recent recovery

By Dr. Edward G. Thomas, C.A.M.

The current edition of the biennial "AMS Turnover Survey of Office Employees" has been completed and the results are presented in this article. Seventy-four AMS chapters and 1,760 organizations employing 276,200 people participated in the study. The participating chapters are located throughout the United States and Canada, and the organizations included in the survey represent a wide variety of businesses and industries as well as governmental, educational, and nonprofit agencies.

The study covered 43,420 terminations, both voluntary and involuntary, for the year 1984.

SLIGHT INCREASE

The overall turnover rate for 1984 was 16% (see Figure 1). This represents an increase of one percentage point from the 1982 rate of 15%. The 1980 rate was 17%. In other previous studies, the rate varied from a high of 21% for 1973, to a low of 14% for 1975.

Turnover rates for six geographical regions are presented in Figure 2. The Western U.S. region had the highest turnover rate for 1984 (20%). The lowest turnover rate (10%) was experienced in Canada. When compared to the 1982 turnover rates, the Western U.S. region exhibited the largest increase (some 4% from 16% to 20%); Canada experienced the only decrease (from 14% to 10%). A more detailed breakdown of rates by region and city (AMS chapter) is presented in Figure 5.

Turnover rates by type of business were also computed (see Figure 3). The "Service" category exhibited the highest 1984 turnover rate (23%); the lowest rate was the 6% rate experienced by firms in the "Public Utility" category. Over the years, public utilities have consistently exhibited the lowest turnover rate in the AMS Turnover Surveys.

FIGURE 1
FORMULA FOR ANNUAL TURNOVER RATE

The turnover rate computed in this study was the annual rate for the calendar year 1984. A total of 1,760 firms provided the data. The rate was calculated as follows:

$$\frac{\text{Total Number of Terminations}}{\text{Average Annual Employment}} \times 100 = \text{Turnover Rate}$$

For the entire study, the calculation was:

$$\frac{43{,}420}{276{,}200} \times 100 = 16\%$$

FIGURE 2
TURNOVER BY GEOGRAPHICAL AREA

	1984	1982
FOR ALL REGIONS	16%	15%
Canada	10%	14%
Eastern United States	16%	15%
East Central United States	15%	15%
West Central United States	15%	13%
Southern United States	16%	15%
Western United States	20%	16%

FIGURE 3
TURNOVER BY TYPE OF BUSINESS

	1984	1982
Advertising, Printing & Publishing	15%	16%
Banking, Insurance & Financial	19%	16%
Construction	22%	22%
Educational	15%	13%
Governmental Agency (any level)	13%	10%
Manufacturing	12%	14%
Natural Resources (gas, oil, mining, lumber, etc.)	14%	16%
Public Utility	6%	9%
Retail Sales & Distribution	20%	12%
Service	23%	16%
Transportation	19%	21%
Wholesale Sales & Distribution	16%	15%
Professional/Fraternal Organizations	16%	17%
Research & Development	10%	14%
Non-Profit (charitable organizations)	18%	17%
Other	15%	16%

FIGURE 4
TURNOVER BY SIZE OF OFFICE

	1985	1982
FOR ALL COMPANIES	16%	15%
1 to 25 employees	17%	17%
26 to 100 employees	18%	16%
101 to 250 employees	18%	16%
251 to 500 employees	16%	16%
501 to 1,000 employees	15%	14%
1,001 to 5,000 employees	14%	14%
Over 5,000 employees	15%	12%

FIGURE 5 — **TURNOVER RATES BY CHAPTERS**

	1984 Turnover Rate	1982 Turnover Rate	1980 Turnover Rate	Number of Firms	Total Employment	Total Terminations
CANADA (total)	10%	14%	19%	148	11,621	1,207
Edmonton	16%	29%	41%	5	323	51
Grand Valley	11%	9%	13%	69	3,755	419
Hamilton	8%	12%	17%	39	2,661	213
Montreal	24%	—	15%	8	1,074	262
Regina	7%	—	—	7	1,156	84
Winnipeg	7%	—	—	20	2,652	178
EASTERN U.S. (total)	16%	15%	16%	399	59,757	9,520
Bridgeport, CT	16%	17%	—	13	2,079	338
Buffalo, NY	11%	14%	12%	35	4,060	434
Delaware	14%	18%	17%	20	3,593	515
Harrisburg Area, PA	17%	11%	12%	37	7,154	1,198
Lancaster, PA	17%	10%	13%	30	3,242	539
Metropolitan NJ	19%	—	18%	24	4,238	824
Montgomery Co., PA	21%	26%	21%	14	2,301	478
New York, NY	22%	19%	17%	34	5,527	1,230
Philadelphia, PA	15%	12%	—	21	1,565	233
Pittsburgh, PA	11%	—	—	[illegible]	5,327	571
Providence, RI	16%	22%	31%	[illegible]	6,155	971
Southern Connecticut	24%	17%	12%	5	589	142
Syracuse, NY	9%	11%	16%	10	1,492	134
Westchester, NY	16%	15%	15%	27	5,859	963
Western Massachusetts	14%	—	—	57	6,576	950
EAST CENTRAL U.S. (total)	15%	15%	16%	298	58,366	8,530
Chicago, IL	17%	21%	21%	36	9,490	1,638
Cincinnati, OH	9%	12%	17%	34	11,499	1,078
Cleveland, OH	14%	22%	16%	22	2,098	303
Columbus, OH	17%	12%	25%	19	4,855	832
Dayton, OH	11%	24%	8%	5	530	60
Detroit Area, MI	17%	—	15%	22	4,708	804
Indianapolis, IN	19%	13%	—	34	7,315	1,425
North/West Chicago	18%	14%	14%	15	4,089	745
Rockford, IL	14%	13%	23%	25	2,037	280
Toledo Area, OH	12%	12%	14%	55	7,532	906
West Michigan	11%	10%	15%	31	4,213	459
WEST CENTRAL U.S. (total)	15%	13%	18%	442	64,623	9,664
Bismarck-Mandan, ND	16%	—	—	58	1,917	311
Cedar Rapids, IA	14%	—	16%	17	2,243	322
Des Moines, IA	14%	13%	18%	52	12,484	1,716
Fargo-Moorhead, ND	17%	12%	17%	33	971	163

Comparing the 1984 turnover figures to the 1982 figures, it can be seen that the "Retail Sales and Distribution" category exhibited the largest increase (8%); and "Research and Development" firms had the largest decrease (4%). Overall, as is evident in Figure 3, a total of eight categories experienced turnover rate decreases, another seven experienced increases, and one category did not change.

Figure 4 presents turnover rates by office size. Continuing a trend noted in 1978, 1980, and 1982, the turnover rates in 1984 were lowest for the firms having the largest numbers of office workers. The lowest 1984 rate (14%) was experienced by firms employing from 1,001 to 5,000 employees. Companies just slightly larger or smaller had turnover rates of 15%.

REDUCTIONS DOWN

The major reason for employee terminations (see Figure 6) continued to be "To Take Another Job," with 34% of the total 1984 terminations being attributed to this reason. This is higher than the 22% reported in 1982 and the 33% reported in 1980. On the other hand, there was a decrease from 1982 to 1984 in the percentage of terminations attributed to "Staff Reduction." Some 9% of the total 1984 terminations were staff reductions compared to 15% in 1982. The percentages of terminations due to "Dismissals" and "Retirements" (11% and 8%, respectively) were also less than in 1982. Overall, the five most common reasons for terminations accounted for 70% of all terminations in 1984.

The turnover rate for non-exempt employees (19%) was less than double the rate for exempt employees (11%) (see Figure 7). In earlier studies (1975, 1978, and 1980), the rate for non-exempt employees was

FIGURE 5 (Continued) — **TURNOVER RATES BY CHAPTERS**

	1984 Turnover Rate	1982 Turnover Rate	1980 Turnover Rate	Number of Firms	Total Employment	Total Terminations
Kansas City, MO	21%	11%	—	14	3,317	686
Lincoln, NE	18%	12%	19%	34	4,235	763
Madison, WI	19%	13%	16%	24	2,993	568
Milwaukee, WI	14%	10%	19%	30	7,257	1,017
Minneapolis-St. Paul, MN	15%	—	22%	31	7,972	1,186
Omaha, NE	11%	12%	19%	18	4,949	538
Quad Cities	9%	10%	12%	32	4,133	367
St. Louis, MO	15%	19%	18%	43	5,364	806
Southern Minnesota	14%	13%	15%	18	1,002	140
Topeka, KS	17%	—	19%	18	3,565	621
Wichita, KS	21%	20%	—	20	2,221	460
SOUTHERN U.S. (total)	16%	15%	16%	306	47,935	7,769
Atlanta, GA	22%	19%	—	17	1,612	358
Chattanooga, TN	11%	9%	14%	14	2,644	285
Columbia, SC	9%	—	—	10	1,624	154
Dallas, TX	13%	22%	29%	19	6,696	863
Fort Worth, TX	28%	—	21%	16	1,489	402
Greater Orlando, FL	18%	18%	13%	14	3,525	632
Greensboro, NC	14%	15%	14%	17	2,456	345
Greenville, SC	18%	13%	14%	8	445	79
Hampton Roads, VA	15%	22%	—	18	2,099	313
Houston, TX	23%	18%	31%	20	2,746	736
Jacksonville, FL	18%	17%	21%	16	5,441	999
Lexington, KY	20%	15%	16%	10	917	185
Louisville, KY	10%	9%	12%	21	4,119	426
Oklahoma City, OK	22%	23%	—	15	1,760	379
Research Triangle, NC	20%	7%	20%	22	2,105	428
Richmond, VA	14%	—	24%	24	3,120	443
Roanoke, VA	6%	9%	11%	9	985	61
Tulsa, OK	19%	32%	—	20	2,269	434
Winston-Salem, NC	13%	15%	17%	16	1,943	247
WESTERN U.S. (total)	20%	16%	23%	167	33,898	6,730
Eugene, OR	20%	12%	26%	15	317	63
Oakland-East Bay, CA	18%	—	—	30	2,645	488
Phoenix, AZ	18%	15%	—	35	21,276	3,931
Portland, OR	16%	18%	21%	39	3,171	502
San Francisco, CA	32%	18%	29%	14	3,047	972
San Jose, CA	27%	25%	27%	22	2,048	555
Stockton, CA	11%	14%	16%	5	523	60
Tacoma, WA	18%	14%	17%	7	871	159

FIGURE 6
REASONS FOR TERMINATION

	1984 Total	Exempt	Non-Exempt	1982 Total
Another Job	34%	13%	21%	22%
Dismissal	11%	3%	8%	12%
Staff Reduction	9%	4%	5%	15%
Retirement	8%	4%	4%	10%
Leave City	8%	2%	6%	9%
Unknown	7%	2%	5%	7%
Return to School	5%	1%	4%	6%
Personal Reasons	6%	1%	5%	6%
Dissatisfied	4%	1%	3%	4%
Stay Home	4%	0%	4%	4%
Pregnancy	1%	0%	1%	2%
Marriage	1%	0%	1%	1%
Health	1%	0%	1%	1%
Military Leave	0%	0%	0%	0%
Death	1%	1%	0%	0%

Note: *All percentages are rounded*

FIGURE 7
TURNOVER RATE: EXEMPT VS. NON-EXEMPT

	1984	1982
All Employees	16%	15%
Exempt Employees	11%	10%
Non-Exempt Employees	19%	18%

FIGURE 8
LENGTH OF SERVICE UPON TERMINATION

	1984	1982
Under 1 year	28%	27%
1 year to 5 years	43%	46%
Over 5 years	28%	26%

more than double the rate for exempt employees.

Figure 8 presents the percentages of total terminations accounted for by employees with varying lengths of service to the organization. Some 28% of all terminations were for employees with less than one year of service (up from 27% in 1982). Another 43% of terminations were for employees with one to five years of service (down from 46% in 1982). Employees with more than five years of service accounted for 28% of the 1984 terminations (up from 26% in 1982). Thus, 71% of the 1984 terminations were for employees with five or fewer years of service. In 1982, 73% of the terminations were for employees with five or fewer years of service.

RECOVERY REFLECTED

While the overall turnover rate for 1984 (16%) was slightly higher than in 1982 (15%), the effects of the recent economic recovery were really reflected in the reasons for terminations. A higher percentage of employees voluntarily terminated employment in order to take other jobs while a lower percentage were terminated as a result of staff reductions. The difficult economic conditions which prevailed at the beginning of the decade were reflected in the 1982 turnover survey through fewer voluntary terminations and more involuntary separations. However, economic conditions appear to have little effect on the percentages of other reasons for termination. □

Dr. Edward G. Thomas, C.A.M., is associate dean of the James J. Nance College of Business Administration, Cleveland State University, Cleveland, Ohio, and a former AMS international director-at-large. *Appreciation is expressed to Dr. Thomas for developing, tabulating and summarizing this survey.*

1982 AMS OFFICE TURNOVER SURVEY

Fewer voluntary terminations and greater staff reductions mirror the economic slump

By Dr. Edward G. Thomas, C.A.M.

The 1982 edition of the biennial "AMS Turnover Survey of Office Employees" has been completed and the results are presented here for your information. Ninety-four AMS chapters and 2,274 organizations employing 372,482 people participated in the study. The participating chapters are located throughout the United States and Canada, and the organizations included in the survey represent a wide variety of businesses and industries as well as governmental, educational, and nonprofit agencies.

The 1982 study covers 54,529 terminations, both voluntary and involuntary.

RATE DOWN AGAIN

The overall turnover rate for 1982 was 15%. This represents a decrease of two percentage points from the 1980 rate of 17%. The 1978 rate was 19%. In other previous studies, the rate varied from a high of 21% for 1973, to a low of 14% for 1975.

The Western U.S. region had the highest turnover rate for 1982 (16%). The lowest turnover rate (13%) was experienced in the West Central U.S. region. When compared to the 1980 turnover rates, the Western U.S. region exhibited the largest decrease (some 7%, from 23% to 16%). The other five regions also experienced decreases.

Turnover rates by type of business were also computed. The "Construction" category exhibited the highest 1982 turnover rate (22%), and the lowest rate was the 9% rate experienced by firms in the "Public Utility" category.

When the 1982 turnover figures are compared to the 1980 figures, it can be seen that the "Governmental Agency" and "Retail Sales & Distribution" categories both exhibited a decrease of 8%. Overall, 11 categories experienced turnover rate decreases and five experienced increases.

Continuing a trend noted in 1978 and 1980, the turnover rates in 1982 were lowest for the firms having the largest numbers of office workers. Overall, the 1982 rates were lower than 1980 rates in six of the seven size categories; the rate was unchanged in the remaining category. The lowest 1982 rate (12%) was experienced by firms employing over 5,000 employees, down from a 1980 rate of 15%.

STAFF REDUCTIONS UP

The major reason for employee terminations continued to be "To Take Another Job," with 22% of the total 1982 terminations being attributed to this reason. However, this total is less than the 33% reported in 1980 and the 46% reported in 1978.

On the other hand, there was a large increase from 1980 to 1982 in the percentage of terminations attributed to "Staff Reduction." Some 15% of the total 1982 terminations were staff reductions, compared to only 4% in 1980. The percentages of terminations due to "Dismissals" and "Retirements" (12% and 10%, respectively) were unchanged from 1980. Overall, the five most common reasons for terminations accounted for 68% of all 1982 terminations.

The turnover rate for non-exempt employees (18%) was not quite double the rate for exempt employees (10%). In 1975, 1978, and 1980, the rate for non-exempt employees was more than double the rate for exempt employees.

Some 27% of all terminations were for employees with less than one year of service (down from 38% in 1980). Another 46% of terminations were for employees with one to five years of service (up from 43% in 1980). Employees with more than five years of service accounted for 26% of the 1982 terminations (up from 19% in 1980). Thus, 73% of the 1982 terminations were for employees with five or fewer years of service. In 1980, 81% of the terminations were for employees with five or fewer years of service.

REFLECTING THE RECESSION

While the overall turnover rate for 1982 (15%) was lower than in 1980 (17%), the effects of the 1982 recession were really reflected in the reasons for terminations. A lower percentage of employees voluntarily terminated employment in order to take other jobs, while a higher percentage were terminated as a result of staff reductions. Such results are to be expected during difficult economic times. If the 1983 recovery continues into 1984, it will be interesting to see if the 1984 turnover survey results reflect an increase in the percentage of terminations attributed to employees who leave to take other jobs, and a significant decrease in the percentage of terminations due to staff reductions. □

Dr. Edward G. Thomas, C.A.M., is chairperson of the Department of Business Education at the James J. Nance School of Business Administration of Cleveland State University, Cleveland, Ohio and is an international director-at-large. *Appreciation is expressed to Dr. Thomas for developing, tabulating and summarizing this survey.*

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  Price: $115 ($75 to AMS members)*

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